



June 8, 2009

The Honorable Jeff Bingaman, Chair  
The Honorable Lisa Murkowski, Ranking Member  
United States Senate Energy and Natural Resources Committee  
Washington, DC 20510

Dear Chairman Bingaman and Ranking Member Murkowski:

On behalf of the Petroleum Marketers Association of America (PMAA), the New England Fuel Institute (NEFI) and the Vermont Fuel Dealers Association (VFDA), we ask that you support Senator Bernie Sanders' amendment which would require additional information on the storage of oil in off-shore tankers to draft legislation titled, the "Energy Market Transparency Act of 2009."

Our associations have been highly engaged in the legislative efforts to curb excessive speculation and prevent manipulation in energy commodity markets. Giving federal regulators the necessary authority to bring greater transparency to these markets is a top priority to ensure that these markets are stable and reliable. Therefore, we applaud efforts in the committee's draft legislation that would seek to increase the amount of inventory and physical oil data, especially for those companies that also engage in on- and off-exchange commodities and derivatives trading.

The draft legislation requires the Energy Information Administration (EIA) to collect data on all oil inventories and physical oil assets that are owned by the 50 largest traders of oil contracts, including all futures contracts. EIA must include the volumes of product under ownership and the storage and transportation capacity.

We support Senator Sanders' amendment to the draft bill which will provide additional information to the EIA on the storage of petroleum products in off-shore tankers. U.S. crude oil prices hit \$70 a barrel last week, even as U.S. crude stocks reached their highest levels since 1990 and with U.S. demand at a 10 year low. Meanwhile, the amount of oil and petroleum products being stored in ships floating at sea is up 71 percent since April 2009 (Reuters, June 4, 2009). This includes the recent move by JPMorgan Chase & Co. to rent seaborne oil supertankers in order to store heating oil off the coast of Malta. All inventory held by the 50 largest U.S. firms should be reported to the U.S. EIA, including petroleum being stored in stationary or in-transit supertankers. Additional information will be required in order to understand the relationship between commodity futures markets including seaborne super tankers and all petroleum inventory held by U.S. firms, especially those that engage in futures contracts.

We urge you to include Senator Sanders' amendment in the comprehensive energy legislation you intend to pass as early as this week.

Sincerely,

Dan Gilligan  
PMAA President

Shane Sweet  
NEFI CEO

Matt Cota  
Vermont Fuel Dealers Assn.